

July 5, 2007

Senator Kevin VanTassell
Representative Stephen D. Clark
(co-chairs of Business and Labor Interim Committee)
Utah State Capitol Complex
Salt Lake City, Utah 84114

Dear chairmen,

Attached is the first annual report of the information required by Utah Code Annotated Subsection 31A-2-404(4). The information reported is for the time period January 1, 2006 through December 31, 2006. The information provides a listing of each investigation opened in calendar year 2006, whether or not the investigation has been closed, the number of elapsed days between the date opened and the date closed, the action taken when the investigation was closed, and the violation that was investigated.

During this calendar year the Insurance Department had seven market conduct examiners on staff. Two of these examiners were assigned to investigate alleged violations of title insurance statutes and rules. Title insurance represents one percent of the total insurance premium written in Utah. During the period January 2006 through June 2007, closed title investigations represent 35% (334/966) of the Insurance Department's closed investigations.

The three leading violations investigated were title escrow violations (46/114), unfair marketing violations (30/114), and trust fund violations (20/114). Of the 114 investigations, ten were referred to the Insurance Department's Fraud Division and other law enforcement agencies for criminal investigation. These cases are shown in the column labeled Referred to Criminal.

Should you desire additional information or explanation, please direct your inquiries to Assistant Commissioner John E. 'Mickey' Braun, Jr. at jbrown@utah.gov or 801-538-3865.

Sincerely,

D. Kent Michie
Insurance Commissioner

Attachment
Title Investigations for Calendar Year 2006